

## REPORT

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, LouisianaAnnual Financial Statements  
As of and for the Year  
Ended December 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-20-05

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana

Annual Financial Statements  
As of and for the Year Ended December 31, 2004  
With Supplemental Information Schedules

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MEMBER  
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MEMBER  
L.C.P.A.

Board of Commissioners  
Washington Parish Fire  
Protection District No.6  
Varnado, Louisiana

I have compiled the accompanying financial statements and supplemental information, contained in Schedules I and II, as of and for the year ended December 31, 2004, for the Washington Parish Fire Protection District No. 6, a component unit of the Washington Parish Government, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplemental information, and, accordingly, do not express an opinion or any other form of assurance on them.

The Washington Parish Fire Protection District No. 6 did not adopt the provisions of Governmental Accounting Standards Board Statement No. 34 for the year ended December 31, 2004. The effects of the departure from Generally Accepted Accounting Principles have not been determined.

I am not independent with respect to Washington Parish Fire Protection District No.6.

  
William R. Durden  
Certified Public Accountant

Franklinton, Louisiana  
June 28, 2005

## FINANCIAL STATEMENTS

## STATEMENT A

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana

Balance Sheet  
Governmental Funds  
December 31, 2004

	General Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS AND OTHER DEBITS</b>			
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 6,717	\$ -	\$ 6,717
Receivables	116,046	-	116,046
Prepaid expense	8,119	-	8,119
<b>RESTRICTED ASSETS:</b>			
Cash	14,697	-	14,697
<b>OTHER DEBITS:</b>			
Amount available in Debt Service Fund	-	-	-
Amount to be provided for retirement of long-term obligations	-	166,659	166,659
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<u><u>\$ 145,579</u></u>	<u><u>\$ 166,659</u></u>	<u><u>\$ 312,238</u></u>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 473	\$ -	\$ 473
Deferred Revenue	4,070	-	4,070
Capital Leases payable	-	166,659	166,659
Total Liabilities	<u>4,543</u>	<u>166,659</u>	<u>171,202</u>
<b>EQUITY</b>			
Fund balance - unreserved	<u>141,036</u>	-	<u>141,036</u>
Total Equity	<u>141,036</u>	-	<u>141,036</u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u>\$ 145,579</u></u>	<u><u>\$ 166,659</u></u>	<u><u>\$ 312,238</u></u>

See accompanying notes to the financial statements and accountant's report.

## STATEMENT B

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures  
and Changes in Fund Balance  
For the Year Ended December 31, 2004

	General	Debt Service	Total
REVENUES:			
Ad valorem taxes	\$ 111,976	\$ -	\$ 111,976
State revenue sharing	7,653	-	7,653
Insurance rebate	5,636		5,636
Sale of equipment	-	-	-
Interest earned	992	-	992
Grant revenues	4,162		4,162
Total Revenues	<u>130,419</u>	<u>-</u>	<u>130,419</u>
EXPENDITURES:			
Fuel, gas, and oil	1,252	-	1,252
Insurance	10,408	-	10,408
Repairs and maintenance	6,940	-	6,940
Supplies	6,334	-	6,334
Capital Outlay	27,145	-	27,145
Legal and accounting	3,000	-	3,000
Equipment rent	-	-	-
Utilities & Telephone	4,700	-	4,700
Office expense	2,113	-	2,113
Training	-	-	-
Other	1,786	-	1,786
Debt service:			
Principal retirement	-	44,028	44,028
Interest	-	9,502	9,502
Total expenditures	<u>63,678</u>	<u>53,530</u>	<u>117,208</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	66,741	(53,530)	13,211
OTHER SOURCES (USES):			
Transfers (to) from other funds	(53,530)	53,530	-
Proceeds from capital leases	-	-	-
NET EXCESS (DEFICIENCY) OF REVENUE	<u>13,211</u>	<u>-</u>	<u>13,211</u>
FUND BALANCE, JANUARY 1, 2004	<u>17,984</u>	<u>-</u>	<u>17,984</u>
Prior period adjustments to Fund Balance	109,841	-	109,841
FUND BALANCE, DECEMBER 31, 2004	<u>\$ 141,036</u>	<u>\$ -</u>	<u>\$ 141,036</u>

See accompanying notes to the financial statements and accountant's report.

## NOTES TO FINANCIAL STATEMENTS

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
**Varnado, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2004**

**INTRODUCTION**

As provided by Louisiana Revised Statute 40:1496.12B, the Fire Protection District No.6 of Washington Parish was created July 10, 1990, through a resolution passed by the Washington Parish Policy Jury. The District shall constitute a public corporation and as such shall have all the powers of public corporations, including perpetual existence and the right and power to incur debt and contract obligations, to sue and be sued, and to have a corporate seal. The District shall also be authorized to do and perform all acts in its corporate capacity and in its name, necessary and proper, for the purposes of acquiring, maintaining and operating buildings, machinery, equipment, water tank, water hydrants, water lines, and such other things as might be necessary or proper for effective fire prevention and control as considered necessary by the parish governing body of the District for the protection of the property within the limits of the District against fire.

The governing body of the parish shall appoint a five member board that shall perform all duties, functions, and powers responsible for the operation and maintenance of the District. All funds of the District shall be administered by the board. The board of commissioner members may be paid a per diem of fifty dollars for attending meetings of the board, and may be reimbursed any expenses incurred in performing the duties imposed upon them.

The District encompasses approximately 82 square miles in a portion of Wards 5, 7, 8 and 4 of Washington Parish. It serves approximately 1,800 people and several small businesses living and operating within the boundaries of the District. The District operates out of three fire stations, one located in the Village of Varnado at 26021 Highway 21, the second located at 63238 Highway 10 East, leased from Meckling Research, and the third is located at 21501 Highway 21 near Miles Lumber Co. The District has no compensated employees and operates with a volunteer staff of firefighters.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the District have been prepared in conformity with generally accepted accounting principles of the United State of America (GAAP) as applied to government units.

The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY**

The District is a component unit of the Washington Parish Police Jury, the financial reporting entity. The police jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.



WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the police jury, the general government services provide by that governmental unit, or the other governmental units that comprise the financial reporting entity.

**B. FUND FINANCIAL STATEMENTS**

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified as governmental, proprietary, and fiduciary. Currently, the District has only governmental type funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

Governmental fund financial statements are reported using the current financial resources measurements focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

*Interest on cash deposits is recorded as earned. All other revenues items are considered to be measurable and available only when cash is received by the government.*

Washington Parish Fire District No. 6 reports the following governmental funds:

**General Fund**

The general fund is the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.

**Debt Service Fund**

The debt service fund accounts for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

**D. DEPOSITS AND INVESTMENTS**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of the acquisition. State law and the District's investment policy allow the District to invest in collateralized certificates of deposit, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

**E. RECEIVABLES AND PAYABLES**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either due to/from other funds (i.e., the current portion of interfund loans) or advances to/from other funds (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as due to/from other funds."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable Governmental Funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**F. INVENTORIES AND PREPAID ITEMS**

Purchase of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items fund financial statements.

**G. RESTRICTED ASSETS**

Certain proceeds of specific revenue sources that are legally restricted to expenditures for *specified purposes are classified as restricted assets because their use is limited to specified expenditures.*

**H. CAPITAL ASSETS**

Capital assets are recorded as expenditures at the time purchased or constructed. No depreciation has been provided on general capital assets. All capital assets are valued at historical cost or estimated historical cost. Donated assets are valued at fair market value on the date donated. The costs of all assets acquired prior to 1989 have been valued using *estimated historical cost.*

**WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6**  
**Varnado, Louisiana**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2004**

**I. COMPENSATED ABSENCES**

The District does not have any paid employees; therefore, it does not have a formal leave policy.

**J. LONG-TERM OBLIGATIONS**

Long-term obligations expected to be financed from Governmental Funds are reported in the debt service fund.

**K. FUND EQUITY**

In the fund financial statements, Governmental Funds report reservations of Fund Balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of Fund Balance represent tentative management plans that are subject to change.

**L. EXTRAORDINARY AND SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the District, which are either unusual in nature or infrequent in occurrence.

**M. ESTIMATES**

The preparation of financial statements in conformance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of *contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, and expenses during the reported period*. Actual results could differ from those estimates.

**NOTE 2 - LEVIED TAXES**

On October 3, 1992, the District successfully passed a proposal for a special ad valorem tax upon property owners of the District. The assessment authorizes the levy of and collection of a special ad valorem tax of 10 mills for a period of ten (10) years, beginning with the year 1993, for the purpose of acquiring, constructing, maintaining and operating fire protection facilities and equipment including paying the cost of obtaining water for fire protection purposes and salaries of firemen, and all purposes incidental thereto.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

On November 3, 1998, the District passed a proposal for the extension of the original proposition to impose the existing special tax of ten (10) mills in the newly added areas of the District. For the period covered by this financial statement, the millage was set at 19.66.

2004 Assessed property value	9,243,630
Less: Homestead Exemption	<u>(3,350,330)</u>
Taxable value	<u><u>5,893,300</u></u>

	<u>General Fund</u>
19.66 Mill assessment	115,862
Less: Pension deduction	<u>(3,886)</u>
Net assessment	<u><u>\$ 111,976</u></u>

**NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**Budget Information**

The District does not have a formal policy on adopting a budget. The budget for year ending December 31, 2004, was adopted at the District's November 18, 2003 regular meeting. The budget was amended at the District's regular meeting on December 14, 2004. All appropriations lapse at year-end. Louisiana Revised Statue 39:1303 requires that "...all action necessary to adopt and otherwise finalize and implement the budget for an ensuing fiscal year shall be taken in an open meeting and completed prior to the end of the fiscal year in progress..."

**NOTE 4 - CASH AND CASH EQUIVALENTS**

At December 31, 2004, the District has cash and cash equivalents totaling \$21,414 as follows:

Non-interest bearing demand deposits	\$ -
Interest bearing demand deposits	<u>21,414</u>
Total cash and cash equivalents	<u><u>\$ 21,414</u></u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are to be held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2004, the District had \$21,414 in deposits (collected bank balances, including certificates of deposit). These deposits were secured from risk by \$21,414 of federal deposit insurance and \$28,848 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 5 - RECEIVABLES**

The following is a summary of receivables at December 31, 2004:

<u>CLASS OF RECEIVABLE</u>	<u>General Fund</u>
Ad valorem taxes - current year	\$ 111,976
Ad valorem taxes - prior year (paid under protest)	4,070
Total taxes receivable	<u>\$ 116,046</u>

**NOTE 6 - CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2004

	<u>Balance January 1, 2004</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2004</u>
Fire Trucks	\$ 396,721	\$ -	\$ -	\$ 396,721
Land	11,375	-	-	11,375
Fire Stations	99,039	9,475	-	108,514
Equipment	226,632	17,670	-	244,302
<b>TOTAL</b>	<u>\$ 733,767</u>	<u>\$ 27,145</u>	<u>\$ -</u>	<u>\$ 760,912</u>

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

**NOTE 7 - LONG-TERM DEBT**

The following is a summary of the long-term obligation transactions during the year:

	Balance January 1, 2004	Additions	Deductions	Balance December 31, 2004
Lease Payable	\$ 17,797	\$ -	\$ 8,569	\$ 9,228
Lease Payable	192,890	-	35,459	157,431
<b>TOTAL</b>	<u>\$ 210,687</u>	<u>\$ -</u>	<u>\$ 44,028</u>	<u>\$ 166,659</u>

**Capital Lease Purchase Agreement:**

The District entered into Municipal Lease-Purchase Agreement with Government Capital Corporation for the purchase of a Water pump 1,500 GPM 500 gallon tank and various equipment. The lease is for \$40,000.00, with the first of five payments in the amount of \$9,938.38, due May 1, 2001 and annually thereafter.

On April 1, 2003, the District entered into another Municipal Lease-Purchase Agreement with Government Capital Corporation for the amount of \$192,890 to purchase a fire truck and pumper for cost of \$165,266 and \$27,624, respectively.

Both lease agreements contain a non-appropriation clause allowing the District to terminate the lease at the end of any fiscal year should funds for the succeeding fiscal period not be available for appropriation for lease payments. Notice must be given to lessor at least sixty days prior to the first day of such fiscal period for which appropriations cannot be made.

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana  
Notes to the Financial Statements  
For the Year Ended December 31, 2004

The annual requirements for lease amortize for debt outstanding at December 31, 2004, including interest of \$17,643 are as follows:

Year Ending	Lease Payable	Lease Payable
2005	9,938	43,591
2006		43,591
2007		43,591
2008		43,591
	<u>\$ 9,938</u>	<u>\$ 174,364</u>

**NOTE 8 - FIRE FIGHTING EQUIPMENT GRANT**

The District was awarded a Forestry Assistance Grant income of \$4,162. The grant reimbursed the District for 50% of previously approved projects.

**NOTE 9 - LITIGATION AND CLAIMS**

As of December 31, 2004, there were no litigations or claims against the District.

**NOTE 10 - RELATED PARTY TRANSACTIONS**

There were no related party transactions requiring disclosure in the financial statements.

**NOTE 11 - SUBSEQUENT EVENTS**

There were no subsequent events requiring disclosure in the financial statements.

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## SUPPLEMENTAL INFORMATION



## SCHEDULE I

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana

Statement of Revenues, Expenditures  
and Changes in Fund Balance-Budget and Actual  
General Fund  
For the Year Ended December 31, 2004

	Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
<b>REVENUES:</b>				
Ad valorem taxes	\$ 109,550	\$ 109,550	\$ 111,976	\$ 2,426
State revenue sharing	-	-	7,653	7,653
Insurance rebate	-	-	5,636	
Interest earned	-	-	992	
Grant revenues	-	-	4,162	4,162
Other revenue	-	-	-	-
Total Revenues	<u>109,550</u>	<u>109,550</u>	<u>130,419</u>	<u>14,241</u>
<b>EXPENDITURES:</b>				
Insurance	10,000	11,400	10,408	992
Accounting	3,500	3,000	3,000	-
Repairs and maintenance	6,550	5,200	6,940	(1,740)
Capital Outlay	24,000	26,150	27,145	(995)
Utilities	3,500	3,300	4,700	(1,400)
Supplies	-	-	6,334	(6,334)
Fuel, gas, and oil	2,500	1,400	1,252	148
Equipment rent	-	-	-	-
Training	2,500	2,500	-	2,500
Office expense	3,000	3,000	2,113	887
Other	-	-	1,786	(1,786)
Total expenditures	<u>55,550</u>	<u>55,950</u>	<u>63,678</u>	<u>(7,728)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	54,000	53,600	66,741	6,513
Fund transfers	(54,000)	(53,600)	(53,530)	(70)
Proceed from capital leases	-	-	-	
<b>EXCESS OF REVENUES AND FUND TRANSFERS</b>	-	-	13,211	
<b>FUND BALANCE, JANUARY 1, 2004</b>	<u>17,984</u>	<u>17,984</u>	<u>17,984</u>	
Prior period adjustments to Fund Balance	109,841	109,841	109,841	
<b>FUND BALANCE, DECEMBER 31, 2004</b>	<u>\$ 127,825</u>	<u>\$ 127,825</u>	<u>\$ 141,036</u>	

See accountant's report.

Schedule II

WASHINGTON PARISH FIRE PROTECTION DISTRICT NO.6  
Varnado, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended December 31, 2004

COMPENSATION PAID BOARD MEMBERS

The schedule of compensation paid to board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Board members were not paid compensation in any form.

See accountant's report.